

FISCAL IMPACT STATEMENT ON BILL NO. **S.588**

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TO:	The Honorable David Thomas, Chairman, Senate Banking and Insurance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Kenneth Brown, Allan Kincaid		
DATE:	May 3, 2007	SBD:	2007270

AUTHOR:	Senator McConnell	PRIMARY CODE CITE:	38-71-1345
SUBJECT:	Small Employers Health Group Cooperative		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

The Bill outlines the requirements, powers, duties and restrictions of a small employer health group cooperative. It requires the Department of Insurance and Office of Research and Statistics of the Budget and Control Board to submit a report to the Office of the Governor and the General Assembly by January 1, 2010 on the effectiveness of the health group cooperative in expanding the availability of health insurance coverage for small employers and also allows small employers to form a cooperative for the purpose of providing health insurance to their employees. The Bill defines "Health Group Cooperative" and establishes the group size for a health group cooperative.

EXPLANATION OF IMPACT:

Department of Insurance

The Department indicates that this Bill would require additional General Funds of the State totaling \$60,000. These funds would cover the cost of salary and fringe of an additional Financial Analyst who would be responsible for registering, monitoring and assisting in establishing regulatory policies and procedures governing the operation of the health group cooperatives.

Budget and Control Board

A review of this Bill by the Board indicates there will be no impact on the General Fund of the State or on Federal and/or other funds.

SPECIAL NOTES:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget